

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

THE COMPLAINT OF MAE WHICKER,)	
ET AL.)	
)	
VS.)	CASE NO. 8957
)	
WHITE HALL WATER DISTRICT)	

O R D E R

On August 8, 1983, the A. Myers Davis Development Company filed with the Commission a complaint against White Hall Water District ("White Hall") which questioned certain charges for service connections made by White Hall.

Thereafter on October 18, 1983, Mae Whicker, et al., filed an additional complaint with the Commission against White Hall concerning their inability to obtain water service in the Shady Hills and Pineur Acres Subdivisions.

Investigation and subsequent correspondence between the Commission and White Hall did not result in the resolution of these two complaints.

Subsequently, by Order dated January 20, 1984, White Hall was ordered to appear before the Commission on February 14, 1984, to give testimony regarding both complaints.

The hearing was held as scheduled in the Commission's offices at Frankfort, Kentucky. The Attorney General's Division of Consumer Protection represented the complainants at the hearing.

Mr. Douglas Chenault, manager for White Hall, and Ballard Luxon, consulting engineer for White Hall, appeared with Reuben G. Walker, attorney for White Hall. The testimony and statements of A. Myers Davis, Mae Whicker, Alberta Dunahue and Myrna Noble were entered in the record of the hearing.

SERVICE CONNECTION FEE

White Hall's current tariff was accepted by this Commission on May 15, 1969. Since the tariff does not show a service connection fee, the \$200 fee shown on the tariff in effect prior to the May 15, 1969, tariff is continued in effect as an unaltered charge for providing a standard residential service connection.

According to the testimony of Mr. Davis, the A. Myers Davis Development Company paid a total of \$12,950 to White Hall for service connection fees at 79 locations, with different amounts being paid at different times. Mr. Davis filed copies of his contracts for service connections with White Hall and copies of his cancelled checks for this same work. With these documents Mr. Davis testified that the A. Myers Davis Development Company has been overcharged \$1,342.54. Commission review of these documents has determined, however, that the overcharges actually totaled \$1,282.54.

WATER SERVICE FOR SHADY HILLS AND PINEUR ACRES SUBDIVISION

White Hall was constructed in 1968 to initially serve about 215 customers. It now serves about 945 customers and has 400 applicants for service including those from Shady Hills and Pineur Acres Subdivisions.

Mr. Luxon testified that approximately 10 percent of Shady Hills is in the service territory of White Hall and approximately 67 percent of Pineur Acres is in the service territory of White Hall. He also testified that his recommendation since about 1977 or 1978 has been that no new customers be added to White Hall's system. This recommendation was made, he said, because pumps were being operated continuously in order to satisfy White Hall's existing customers.

White Hall in its present operating condition is unable to provide service to additional applicants within its service territory as required by KRS 278.030. White Hall is aware of the needs for upgrading its system in order to provide adequate service to all areas within its territory and intends to seek financial assistance to accomplish this purpose.

MORATORIUM ON NEW CUSTOMERS

During the February 14, 1984, hearing, White Hall requested the Commission's approval of a moratorium on the connection of additional customers. While a moratorium could be an interim solution to the capacity problems of White Hall, an overall improvement project would be a more appropriate course of action. Since White Hall has not adequately documented that the connection of additional customers will affect the health and safety of its present customers, a moratorium on additional customers should not be granted.

SUMMARY

After considering the evidence of record and being advised, the Commission is of the opinion and finds that:

1. White Hall's excess charges to the A. Myers Davis Development Company for service connections totaled \$1,282.54 over a 2-year period. This money should be refunded by White Hall.

2. Reimbursement of \$1,282.54 in one lump sum could create a financial burden for White Hall. Since the overcharges occurred over a period of 2 years, 2 years should be a reasonable refund period.

3. Monthly refunds by White Hall should begin on the first day of the month following the date of this Order, and continue each month thereafter until \$1,282.54 has been refunded. White Hall should file quarterly reports with this Commission outlining the amount paid and the balance due the A. Myers Davis Development Company.

4. White Hall's water distribution system is near its design limits and should be upgraded to provide adequate and reliable service to all present and future customers within its established service territory.

5. Based on finding number 4 herein, White Hall should immediately proceed to seek financial assistance, both public and private, to upgrade its system. Within 30 days of the date of this Order, White Hall should file a schedule with projected target dates for the completion of the improvements necessary to upgrade its water distribution system. This schedule should include all phases, from initial planning to actual completion and operation. White Hall should also file quarterly reports with this Commission outlining the progress being made in meeting its target dates.

6. White Hall's request for a moratorium on the connection of additional customers should be denied.

IT IS THEREFORE ORDERED that White Hall shall refund \$1,282.54 to the A. Myers Davis Development Company and make quarterly reports to this Commission as outlined in finding numbers 1, 2, and 3 herein.

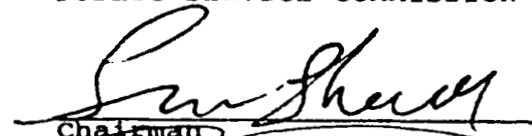
IT IS FURTHER ORDERED that White Hall shall begin the necessary actions to seek financial assistance for upgrading its water distribution system to provide water service to all applicants within its present service territory, which includes portions of the Shady Hills and Pineur Acres Subdivisions.

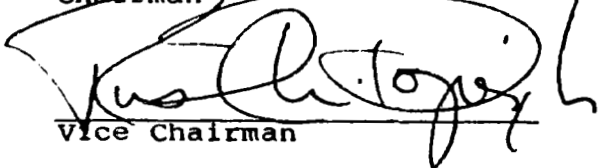
IT IS FURTHER ORDERED that White Hall shall file reports with this Commission as outlined in finding number 5 herein.

IT IS FURTHER ORDERED that White Hall's request for a moratorium on the connection of additional customers be and it hereby is denied.

Done at Frankfort, Kentucky, this 13th day of April, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Commissioner

Secretary